

SMS Agent Guide



Medicare Supplements

-VS-

Medicare Advantage Plans

SMSteam.net

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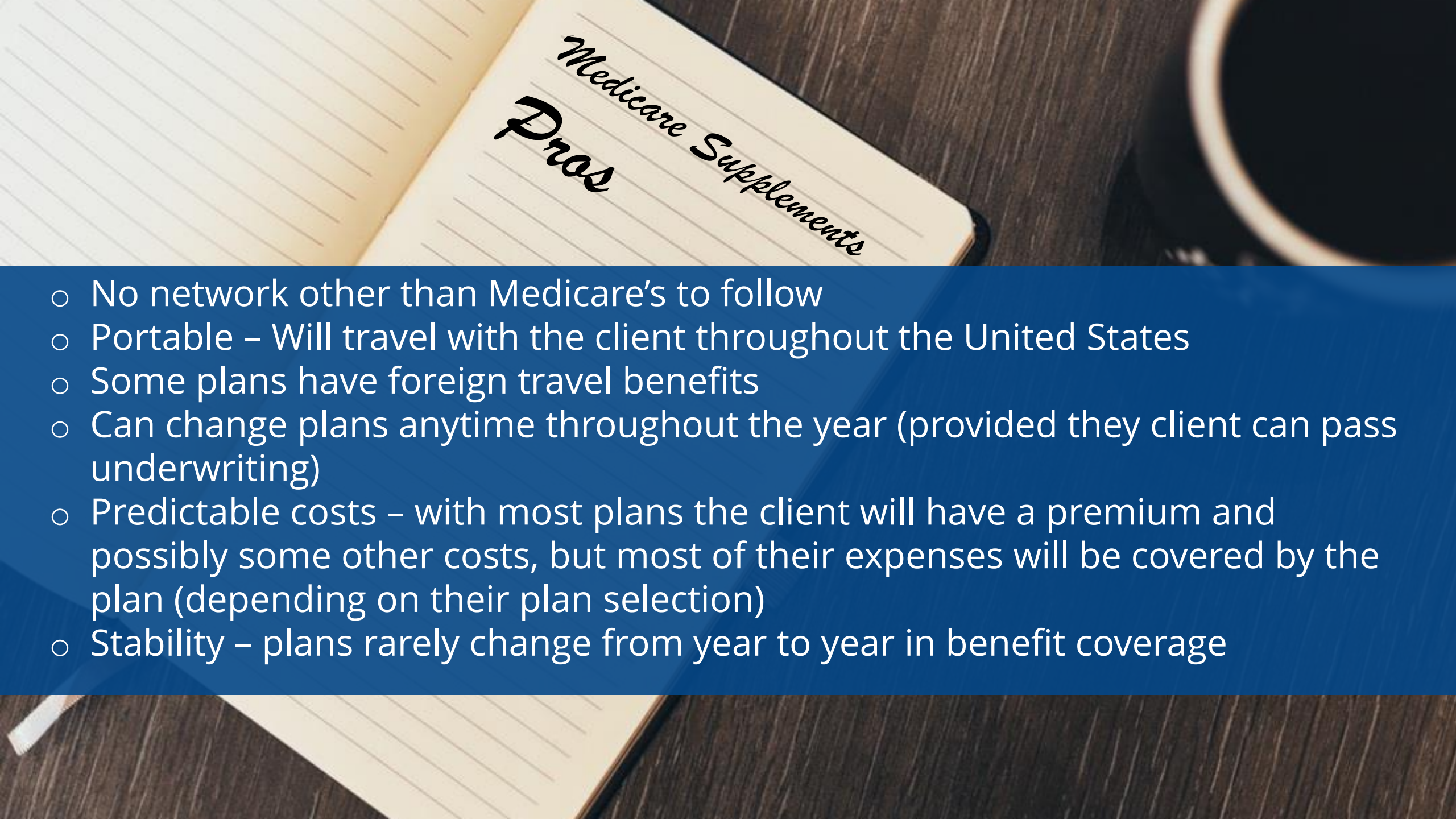
This is a common questions among insurance agents in the senior market.

There is no correct answer as there is no “one-size-fits-all” plan to choose from, but there are some factors to consider when helping direct your client to the different options available to them.

We take a look at some of the more common “pros” and “cons” of each plan. This is more of a general overview as your plans, premiums, networks, and other factors can change greatly from service area to service area.

What is best for my client?

A Medicare Supplement or Medicare Advantage plan?

An open notebook with lined pages is shown from a top-down perspective. The right page has the words "Medicare Supplements" and "Pros" written in a cursive script. The notebook is placed on a dark wooden surface. A portion of a white mug is visible in the upper right corner.

Medicare Supplements
Pros

- No network other than Medicare's to follow
- Portable – Will travel with the client throughout the United States
- Some plans have foreign travel benefits
- Can change plans anytime throughout the year (provided they client can pass underwriting)
- Predictable costs – with most plans the client will have a premium and possibly some other costs, but most of their expenses will be covered by the plan (depending on their plan selection)
- Stability – plans rarely change from year to year in benefit coverage

An open notebook with lined pages is shown from a top-down perspective. The right page has the words "Medicare Supplements" and "Cons" written in a cursive script. The notebook is placed on a dark wooden surface. A portion of a white mug is visible in the upper right corner.

Medicare Supplements

Cons

- Premiums usually raise as the client gets older, may become unaffordable over time
- Premium increases can drastically increase premium
- If Medicare does not pay, neither will the Medicare Supplement
- Illness or injury may prevent the client from changing plans
- Will need a separate plan for drug coverage (Part D of Medicare)

An open notebook with lined pages is shown from a top-down perspective. The right page has the words "Medicare Advantage" and "Pros" written in a cursive script. The notebook is placed on a dark wooden surface. A portion of a white mug is visible in the upper right corner.

Medicare Advantage
Pros


- Low to no premium plans
- Low utilization can greatly reduce annual costs
- Specialized plans in some areas for illness for dual eligible beneficiaries
- Extra benefits included in most plans (dental, vision, and/or hearing)
- Max out of pocket to provide an annual cap on the medical expenses for the client
- Part D plan may be included in the plan

An open notebook with lined pages is shown from a top-down perspective. The right page has 'Medicare Advantage' written in cursive at the top and 'Cons' written in a larger cursive font below it. The notebook is on a dark wooden surface. A white coffee cup is partially visible in the top right corner.

Medicare Advantage

Cons

- High utilization can cost the client a lot in a year
- Access to care – limited to a provider network (may cost higher if using an out of network provider) – may change mid-year
- Plans may change each year
- Plans may exit the market
- May not be able to change to an affordable Medicare supplement plan
- Covers emergency care when traveling, but may not be best suited if the client is going to have an prolonged stay out of their service area

An open notebook with lined pages is shown from a top-down perspective. The right page has the word "Tips" written in black cursive ink. The notebook is placed on a dark wooden surface. A white coffee cup is partially visible in the upper right corner.

Tips

Quick Tips for Agents

- Don't assume what plan will be best for your client. Let them choose the most appropriate plan for their needs and concerns
- Remember they have a trial right with MA plans (12 months in their first MA plan – limitations apply)
- Some Medicare Supplement carriers are more lax in underwriting than others
- There are various elections a client may have if they are outside of AEP (Annual Election Period)

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